



Mayor & Council Communication

March 20, 2000

Subject:

**Intergovernmental Agreement with the
Rio Nuevo Multipurpose Facilities District
(City-wide)** (Continued from Meeting of 2/28/00)

page 1 of 2

Mayor and Council is respectfully requested to adopt the attached Intergovernmental Agreement (IGA) setting forth certain staffing, financing, procurement and operational obligations of both the District and the City of Tucson.

BACKGROUND:

On February 9, 2000, the Rio Nuevo Multipurpose Facilities District Board approved an IGA with the City of Tucson by a vote of 3-0 (Board Member Eckstrom absent/excused). This IGA outlines various responsibilities and obligations of the District and the City as it relates to the initiation of projects within the District site boundaries. The IGA now awaits approval by the Mayor and Council. Given the nature of the agreement, no City of South Tucson approval is required.

PRESENT CONSIDERATION:

The IGA, in addition to containing several standard contractual terms and conditions found in any intergovernmental agreement, addresses a number of substantive issues, as follows:

- ◇ Establishing that the Executive Director of the District shall be the City Manager, and that the Treasurer of the District shall be the Finance Director;
- ◇ Establishing Mr. John Jones as the City's Project Director and official liaison with the District;
- ◇ Establishing Ms. Kay Gray as the City's financial liaison with the District;
- ◇ Mandating staff and consultant cost reimbursements from the District to the City as appropriate and as funds become available;
- ◇ Permitting joint (District & City) project development and setting the stage for a citizen input process;
- ◇ Clarifying acquisition, lease and condemnation authorization;
- ◇ Clarifying governing procurement rules;
- ◇ Establishing repayment provisions for any reimbursable expenses incurred by the City; and
- ◇ Reiterating City obligations to provide matching funds to the District.

**Mayor and Council Communication
Intergovernmental Agreement with the
Rio Nuevo Multipurpose Facilities District
(City-wide)**

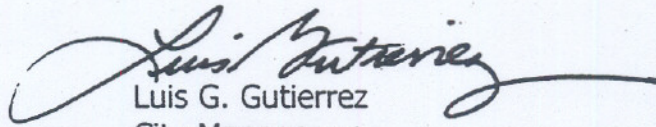
FINANCIAL CONSIDERATION:

Sufficient staff and financial resources are available to be obligated according to the terms and conditions of the proposed IGA. There will be no budgetary impact because all monies advanced by the City will be reimbursed in the future by the tax increment or the sale of bonds.

RECOMMENDATION:

It is recommended that Mayor and Council approve the attached Intergovernmental Agreement by and between the City of Tucson and the Rio Nuevo Multipurpose Facilities District.

Respectfully submitted,


Luis G. Gutierrez
City Manager

Attachments: Resolution
 Intergovernmental Agreement

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Mayor & Council Communication

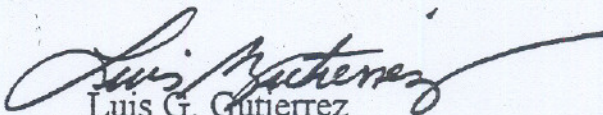
March 20, 2000

Subject: INTERGOVERNMENTAL AGREEMENT WITH THE RIO NUEVO
MULTIFACILITIES DISTRICT.

page 1 of 1

Attached is the corrected Intergovernmental Agreement as adopted by the District. This item appears as Item E on today's Consent Agenda.

Respectfully submitted,


Luis G. Gutierrez
City Manager

LGG:JS:jg

MARCH20-00-163(2)

RECORDED BY: MOC

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CCCLK
TUCSON CITY CLERK
255 W ALAMEDA
TUCSON AZ 85701

PAGE 1644
NO. PAGES: 3
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PICKUP.
AMOUNT PAID \$ 7.00

ADOPTED BY THE
MAYOR AND COUNCIL
MAR 20 2000

RESOLUTION NO. 18523

RELATING TO RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF TUCSON AND THE DISTRICT SETTING FORTH OPERATIONAL OBLIGATIONS OF THE PARTIES.

WHEREAS, by resolutions duly adopted by the Mayors and Councils of the Cities of Tucson and South Tucson (together, the "Cities"), the Rio Nuevo Multipurpose Facilities District was formed pursuant to A.R.S. §48-201 *et seq.*; and

WHEREAS, the City of Tucson thereafter authorized and approved an Intergovernmental Agreement (the "IGA") with the District, and the City of South Tucson; and

WHEREAS, the City of Tucson has assumed certain obligations with regard to the District not previously set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. The Intergovernmental Agreement, attached hereto, is approved.

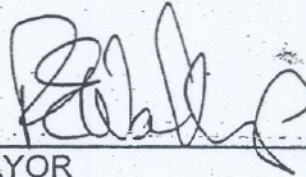
SECTION 2. The Mayor is hereby authorized and directed to execute the said Intergovernmental Agreement for and on behalf of the City of Tucson and the City Clerk is directed to attest the same.

SECTION 3. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.

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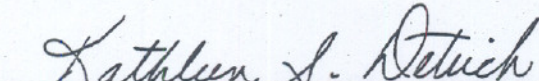
SECTION 4. WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Tucson that this resolution become immediately effective, an emergency is hereby declared to exist and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona MAR 20 2000



MAYOR

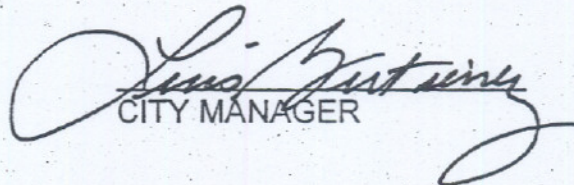
ATTEST:


CITY CLERK

APPROVED BY:


CITY ATTORNEY

REVIEWED BY:


CITY MANAGER

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RECORDED BY: M. RODRIGUEZ
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TUCSON AZ 85701



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PICKUP

AMOUNT PAID \$ 7.50

**Intergovernmental Agreement
(Relating to Rio Nuevo Multipurpose Facilities District)**

Rio Nuevo MFD IGA No. 2000-001
City of Tucson IGA No. _____

This Intergovernmental Agreement, dated as of February 1, 2000 (this "Agreement"), by and between the CITY OF TUCSON, ARIZONA, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (the "City of Tucson") and the RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a tax-levying public improvement district and a political taxing subdivision of the State of Arizona (the "District"),

Witnesseth:

A. The District has been organized by the City of Tucson and the City of South Tucson pursuant to A.R.S. § 48-4201 et seq. (the "MFD Laws") for the purpose of developing multipurpose facilities, as defined in A.R.S. §48-4201.4 (the "Rio Nuevo Project"), to be located generally in an area of the City of Tucson.

B. The District and the City of Tucson now desire to enter into this Agreement to memorialize certain agreements among them regarding the administration, operations and finance of the District.

C. Pursuant to the MFD Laws and Article 3, Chapter 7, Title 11 of the Arizona Revised Statutes, the District and the City of Tucson may enter into this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them.

Now, Therefore, in the joint and mutual exercise of their powers, and in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration and subject to the conditions set forth herein, the parties hereto agree as follows:

**ARTICLE I
Staffing**

1.1 Staffing Generally. The District shall be entitled to request from time to time, and the City of Tucson will use its best efforts to make available, the services of such of their employees for such period of time as may be reasonably required to carry out the business of the District.

1.2 Executive Director and Treasurer. Unless otherwise agreed among the parties, the City Manager of the City of Tucson, or his designee, shall act as Executive Director of the District and the Finance Director of the City of Tucson shall act as the Treasurer of the District. The Treasurer shall apply to and obtain on behalf of the District a Federal and any necessary

ATTACHMENT TO RESOLUTION NO. 18523

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State or local employer/taxpayer identification numbers and shall establish and maintain such bank accounts for the deposit of the District funds with such banks or trust companies, having offices located in the City of Tucson, Arizona, as the Treasurer shall determine.

1.3 Administration and Operations. With respect to administrative and operational support for the District, the City of Tucson shall designate a person to act as the City of Tucson's project director and liaison with the District. Such person will provide or cause to be provided to the District upon request such administrative and operational advice and assistance as the District may reasonably require. The individual initially designated by the City of Tucson for this purpose is John Jones. His office address and telephone number are 255 W. Alameda Street, Special Projects (9th Floor), Tucson, Arizona 85726-7210 (telephone 520-791-4675). In the event another project director or liaison is designated for administrative and operational matters, the City of Tucson will notify the District promptly and provide the name, address and telephone number of any such successor.

1.4 Finance. With respect to financial matters of the District, the City of Tucson shall designate a person to act as the City of Tucson's liaison with the District. Such person will provide or cause to be provided to the District upon request such financial advice and assistance as the District may require, including without limitation, oversight of the tax increment collection process on behalf of the District, budgeting and fund management. The individual initially designated by the City of Tucson for this purpose is Kay L. Gray. Her office address and telephone number are 255 W. Alameda Street, Finance Department (5th Floor), Tucson, Arizona 85726-7210 (telephone 520-791-4893). In the event another liaison is designated for financial matters, the City of Tucson will notify the District promptly and provide the name, address and telephone number of any such successor.

1.5 Compensation. The District agrees to reimburse the City of Tucson for the actual services provided by its liaisons and employees in an amount equal to the allocable portion of their respective salaries or hourly wages, as the case may be, and related benefits, devoted to District matters from the first moneys otherwise available to the District for such purpose from (i) moneys received by the District pursuant to the provisions of A.R.S. §42-5031 or (ii) proceeds from the issuance of the District's bonds pursuant to A.R.S. §48-4251 *et seq.*, except to the extent such reimbursement would be contrary to law or any pledge or agreement of the District.

1.6 Consultants. In addition, the City of Tucson will make the services of its financial consultant and bond counsel available to the District on the same terms and conditions as they are available to the City of Tucson. Such consultants shall be compensated in accordance with the terms of their existing agreements with the City of Tucson at the time and from the sources specified in Section 1.5 hereof.

ARTICLE 2 Project Development

2.1 Development Generally. The District and the City of Tucson shall jointly develop the primary and secondary components of the Rio Nuevo Project, together with any complementary or related projects to be undertaken by the City of Tucson in consultation with

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each other and taking into consideration the recommendations of any advisory committee(s) that may be formed for such purpose by either the District, the City of Tucson or otherwise. The "primary component" of the Rio Nuevo Project, as defined in A.R.S. §48-4201, shall be constructed during the first phase of the construction.

ARTICLE 3

Acquisition of Real Property, Condemnation

3.1 Acquisition of Land. The District may acquire any real property, or interests in real property, required in connection with the Rio Nuevo Project, from the City of Tucson or from others, by purchase, lease, lease-purchase, contribution or condemnation in accordance with A.R.S. §48-4203.A7.

3.2 Condemnation. Any exercise by the District of the powers of eminent domain shall be subject to the provisions of A.R.S. §48-4206.A. and Intergovernmental Agreement No. 1999-001 of the District.

ARTICLE 4

Procurement and Contracting

4.1 Procurement. Procurement of goods and services, other than construction of public buildings by the District, shall be governed by the procurement provisions contained in the Charter and Code of the City of Tucson, together with the regulations and policies adopted pursuant thereto. Construction of public buildings by the District shall be governed by A.R.S. Title 34 except as otherwise provided or permitted by A.R.S. §48-4204.C.

ARTICLE 5

Interim Funding

5.1 City Loans and Advances. In order to avoid delaying commencement of the Rio Nuevo Project and to facilitate some of the preliminary planning and development activities with respect to the Rio Nuevo Project, the City of Tucson will advance moneys or services to the District from time to time as agreed. Moneys advanced to or for the benefit of the District will be subject to repayment, together with interest thereon at the rate earned from time to time on short-term investments (less than 90 days) of the City of Tucson, until paid, from the first moneys otherwise available to the District for such purpose from (i) moneys received by the District pursuant to the provisions of A.R.S. §42-5031 or (ii) proceeds from the issuance of the District's bonds pursuant to A.R.S. §48-4251 *et seq.*, except to the extent such reimbursement would be contrary to law or any pledge or agreement of the District. Services advanced by the City of Tucson on behalf of the District shall be valued, if provided by private contractors, at the actual cost or contract price thereof and, if provided by employees of the City of Tucson, in accordance with the provisions of Section 1.5 hereof, and, to the extent paid directly by the City of Tucson, shall be repayable to the City of Tucson, with interest, as provided above from the date each such service is completed.

5.2 Records. The City of Tucson agrees to keep, and make available to the District and its representatives, upon request at any time during normal business hours, reasonably detailed records concerning the dates and amounts of any such loans or advances and the dates and nature of any such services sufficient to verify the amounts due and owing at any time

ARTICLE 6

City Commitments

6.1 Commitment. As required by A.R.S. §42-5031.D., the City of Tucson hereby agrees that it will make direct payments to the District from any lawful source, including municipal transaction privilege taxes, or expend moneys for land, infrastructure or other improvements directly related to the Rio Nuevo Project or the multipurpose facility site, by the end of the ten year period specified in A.R.S. §42-5031.A, in an aggregate amount at least equal to the amount received by the District pursuant to such section. The City of Tucson agrees to provide to the District from time to time upon request a report indicating the status of its performance with respect to this commitment.

6.2. Aggregate Cost of Public/District Buildings. The City of Tucson hereby confirms that the construction cost of all public or District-owned components at the multipurpose facility site, as that term is defined in A.R.S. §48-4201.5, is or will be not less than \$200 million dollars and the City of Tucson will prepare and provide to the District upon request a listing of the buildings and costs which confirm such amount.

ARTICLE 7

Miscellaneous

7.1 Amendments. This Agreement may be amended only by a written agreement executed by each of the parties hereto.

7.2 Notices. Any notices and other communications provided for or permitted herein shall be validly given, made or served, in writing and delivered personally or sent by registered or certified mail, postage prepaid, or confirmed facsimile transmission to:

The City of Tucson:
The City of Tucson
P.O. Box 27210
Tucson, AZ 85726-7210
Attn: City Manager

With a copy to: City of Tucson
P.O. Box 27210
Tucson, AZ 85726-7210
Attn: City Attorney

District: Rio Nuevo Multipurpose Facilities District
P.O. Box 27210
Tucson, AZ 85726-7210

Attn: Chairman

With a copy to:

Snell & Wilmer L.L.P.
One South Church Avenue, Suite 1500
Tucson, AZ 85701-1630

Or to such other address as any party may designate in writing from time to time. Notice given by mail, as set out above, shall be deemed delivered three (3) days after the same is postmarked.

7.3 Severability. If any one or more sections, clauses, sentences and parts of this Agreement shall be adjudged unconstitutional or invalid by a court of competent jurisdiction, such judgment shall not affect, impair or invalidate the remaining provisions hereof, but shall be confined to the specific sections, clauses, sentences and parts so determined.

7.4 Benefit and Binding Effect. The provisions of this Agreement shall inure to the benefit of and shall be binding upon the respective designees, trustees, heirs, personal representatives, successors and assigns of the parties.

7.5 Execution of Additional Documents. Each party agrees to execute such further or additional documents as may be reasonably necessary or appropriate in good faith to fully implement and carry out the intent and purpose of this Agreement.

7.6 Governing Law. This Agreement shall be governed by and construed according to Arizona law.

7.7 Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any term or provision of this Agreement.

7.8 Conflict of Interest. Notice is hereby given that this Agreement is subject to cancellation in accordance with the provisions of A.R.S. § 38-511, as amended.

7.9 No Third-Party Beneficiary. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right of cause of action hereunder.

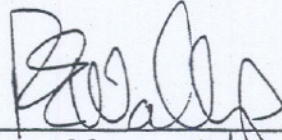
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21012
1010

In Witness Whereof, the District and the City of Tucson have entered into this Agreement as of the day and year first written above.

THE CITY OF TUCSON, ARIZONA,
an Arizona municipal corporation

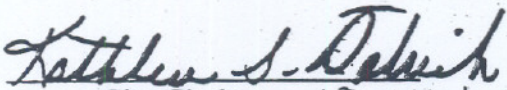
By



Mayor

3/20/00

Attest:

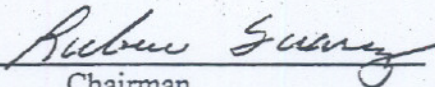


City Clerk

3/20/00

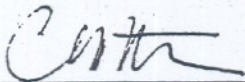
RIO NUEVO MULTIPURPOSE
FACILITIES DISTRICT, a district
organized pursuant to the provisions of
A.R.S. §48-4202

By



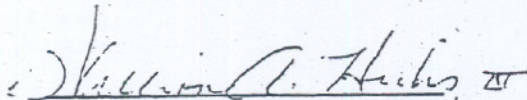
Chairman

Attest:

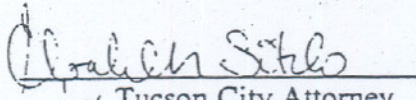


Secretary

APPROVED AS TO FORM:



District Counsel



Tucson City Attorney

112604 10002

Attn: Chairman

With a copy to:

Snell & Wilmer L.L.P.
One South Church Avenue, Suite 1500
Tucson, AZ 85701-1630

Or to such other address as any party may designate in writing from time to time. Notice given by mail, as set out above, shall be deemed delivered three (3) days after the same is postmarked.

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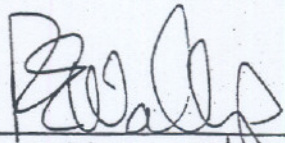
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[This space left blank intentionally. Signatures are on the following page]

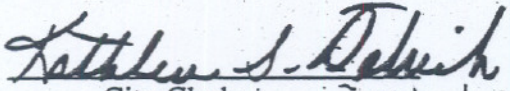
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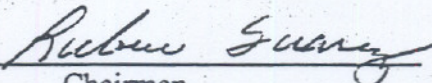
THE CITY OF TUCSON, ARIZONA,
an Arizona municipal corporation

By 
Mayor 3/20/00

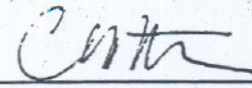
Attest:


City Clerk 3/20/00

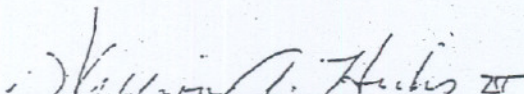
RIO NUEVO MULTIPURPOSE
FACILITIES DISTRICT, a district
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A.R.S. §48-4202

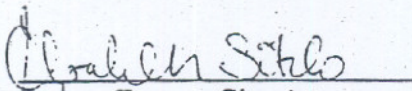
By 
Chairman

Attest:


Secretary

APPROVED AS TO FORM:

 *W*
District Counsel


Tucson City Attorney

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